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TO RUEHRO/AMEMBASSY ROME PRIORITY 7068
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE

S E C R E T STATE 075132

SIPDIS

E.O. 12958: DECL: 07/03/2033

TAGS: PARM MTCRE PREL IT IR

SUBJECT: RESPONSE TO REQUEST FOR INFORMATION ABOUT ITALIAN MACHINE TOOLS SOLD TO IRANIAN CLIENTS VIA TURKISH BASED DISTRIBUTOR (S)

REF: A. STATE 055407

1B. ROME 000683

1C. WHITING-JONES E-MAIL 11 JUNE 08

Classified By: ISN/MTR DIRECTOR PAM DURHAM
REASONS 1.4 (B), (C) AND (D)

11. (U) This is an action request. Embassy Rome, please see paragraph 3.

12. (S) Background/Objective: In May 2008, the U.S. provided information to the GOI that the Italian machine tool manufacturer, CMS Industries, sold computer numerical controlled (CNC) processing machines to clients in Iran via Art Makina, a Turkish based intermediary (Ref A). Specifically, these items were 5-axis CNC processing machines designed to work with advanced materials such as aluminum and composite materials, and are controlled by the Nuclear Suppliers Group (NSG) and Wassenaar Arrangement (WA). After the initial delivery of the demarches (Refs A, B), Italian authorities notified Embassy Rome that several Italian firms were known as CMS and requested additional information in order to clarify the specific identity of the firm with concern (Ref C). We now want to provide Italian officials with further information to specify which CMS Industries we are concerned with in order to facilitate the GOI's investigation.

13. (S) Action Request: Request Embassy Rome approach appropriate host government officials to deliver talking points/non-paper in paragraph 4 below and report response. Talking points also may be provided as a non-paper.

14. (S) Begin talking points/non-paper:

(SECRET/REL ITALY)

-- We previously shared information with you indicating that as of March 2008, the Italian machine tool manufacturer CMS Industries sold 5-axis computer numerical controlled (CNC) processing machines to clients in Iran via a Turkish-based machine tool distributor, Art-Makina.

-- In response, you advised that there were several Italian firms known as CMS, and requested that we provide additional information in order to clarify the specific identity of the firm.

-- We have the following information to share: CMS Industries' website is www.cms.it. This website also contains additional data, including address and phone information.

-- We look forward to future cooperation on nonproliferation issues and to hearing the results of your inquiries into this matter at the earliest possible time.

End talking points/non-paper

¶5. (U) Washington POC is ISN/MTR Sarah Beane (Phone: 202-647-4019 - beanesa@state.sgov.gov). Please slug any reporting on this issue for ISN/MTR, EUR/PRA, and EUR/WE.

¶6. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.

RICE